of subventions in this country the facts they present in respect to the situation in England are of particular interest to students of local finance in America.

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The Science of Wealth. By J. A. Hobson. New York and London: Henry Holt & Co., 1911. 8vo, pp. 256. Price 75 cents.

The Science of Wealth is little more than an abridgment of *The Industrial System,* representing an attempt to popularize the author's analysis of modern business organization and the doctrine of "unproductive surplus."

Following a study of the organization of the industrial world and a presentation of the essential features of the productive process, Mr. Hobson turns his attention to the distribution of the product of industry among the owners of labor, land, capital, and ability. Since the co-operation of all these factors is necessary, the first charge against the joint product is maintenance cost. Under this head are included the minimum payments necessary to keep the factors from deterioration and to provide for the public services of the state. In a progressive industrial system, however, an additional payment must be made to secure the maximum efficiency of labor, land, capital, and ability, and to stimulate an increase in all these factors. Payment to cover this cost of healthy growth is what the author terms the "productive surplus."

Were the whole product naturally absorbed by these two charges, "we should have a completely rational and socially satisfactory system of production and distribution of Wealth." But there is a residuum, and "unproductive" surplus, which is divided among the factors in proportion to their "pulls." This surplus is, in the author's words (we may overlook the mixed metaphor), "the only true bone of contention, the only valid cause of conflict between capital and labor. . . . It lies in the industrial system, a source of continual disturbance, breeding economic maladies" (p. 82). All taxation should fall on this "unproductive" or "unearned" surplus. Indeed, it is to call attention to a proper object of taxation that Professor Hobson has labeled it "unearned."

The reader's first impression of Professor Hobson's theory is its apparently realistic character, but it requires no very careful study to discover hazy notions and unwarranted assumptions. What, for instance, is "healthy" growth? What is the "quantity of saving needed

for the growth of the industrial system" (p. 79)? Or what is "the normally efficient business"? The author seems to have in mind an absolute best proportion in which the productive factors should co-operate. The idea of a representative business determining prices will logically lead back to the mediaeval notion of a just price.

Hobson is revolting against the abstract theorists and yet his propositions are not essentially irreconcilable with those of the productivity theorists. He holds that the distribution of the surplus product is determined by "pulls." "Pulls" are dependent upon usefulness under existing conditions of scarcity. Surely this is the same underlying idea as that of utility, in the usual economic sense—imputable or productive contribution?

The book is sadly lacking in clear and intelligible English, to say nothing of literary composition. We are told that "the farmers who supply hides to the tanners, supply also carcases to butchers, grain to millers, and enter into other series of products" (p. 31). Evidently the pure-food laws are not enforced in Mr. Hobson's part of the country. We read that different trades using the same or similar raw materials, "are related by powerful bonds of sympathy and antipathy. Such is, for example, the relation of shoe-making to saddlery and upholstery (through leather), of jam-making to biscuits or to aërated waters (through sugar)" (p. 35). The author means something, but perhaps the merit of his statement, like that of Browning's poetry, lies in the fact that neither he nor his reader knows what. Again, we find the jumble: ". . . . new articles of consumption, music halls and skating-rinks, cheap reprints, canned meats, bananas, popular drugs, force their way, first as casual claimants, then as habits, into the expenditure of some grade of the working classes, ... " (p. 194).

In conclusion, the book, though readable in parts, is one which is not likely to appeal to the general public, while the economist will find the same views expressed in much better form in *The Industrial System*.

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A History of the New England Fisheries. By Raymond McFarland. Publication of the University of Pennsylvania, 1911. 8vo, pp. 457. $2.00.

The economist has accorded but scant attention to the New England fisheries. At his hands this important industry—or rather group of